



December 24, 2009

Jennifer J. Johnson  
Secretary  
Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue, NW.,  
Washington, DC 20551  
Submitted via fax: (202) 452-3819

Re: Regulation Z; Docket No. R-1367

Dear Ms. Johnson:

CFED, the Corporation for Enterprise Development, is pleased to submit comments to the Federal Reserve supporting the proposed interagency examination procedures for Regulation Z - Truth in Lending.

As a national nonprofit dedicated to expanding economic opportunities for low- and moderate-income families, we greatly appreciate the proactive effort of the Federal Reserve's proposal which improves disclosure, restricts originator compensation, prohibits payment based on loan's rates and terms, protects against steering, and clarifies credit insurance eligibility.

According to the Center for Responsible Lending, six out of ten people who received subprime loans in 2006 — the height of the subprime regime — could have qualified for a lower-cost mortgage. When lenders can arbitrarily make loans more expensive, this increases the chances that the loan will fail. Unfair lending practices led the nation to the current foreclosure crisis. The Federal Reserve correctly takes action to remove the incentives to make loans riskier and more expensive. When lenders are required to price loans fairly, this creates a stronger market and fewer foreclosures which will benefit the homeowners, their neighbors and the community at large.

With this rule, the Federal Reserve has taken a stronger move toward prohibiting predatory practices that harm consumers instead of relying on the now proven insufficient "disclosure" and "financial literacy."

Thank you for your consideration and extensive recent leadership on redressing the regulatory and systemic errors that led to this massive wealth stripping of millions of households and destabilization of the economy.

Sincerely,

*Carol E. Wayman*

Carol E. Wayman  
Federal Policy Director